IN THE HIGH COURT OF JUDICATURE AT BOMBAY

O.O.C.J.

NOTICE OF MOTION NO. 2808 OF 2002

IN

SUIT NO. 3323 OF 2002

Medley Pharmaceuticals Ltd., .. Plaintiff.

vs.

Khandelwal Laboratories Ltd. .. Defendant .

Mr. Salil Shah a/w Kadam i/by H.W. Kane

for plaintiff.

Mr. I.M. Chagla,

Mr. Janak Dwarkadas a/w A. Kamath i/by Bharat

Shah & Co. for defendant.

CORAM : S.U. KAMDAR, J.

DATE : 27th SEPTEMBER, 2005.

ORAL JUDGMENT :

. The present notice of motion is taken out for interim reliefs in a suit for passing off. By prayer (a) of the motion it has been prayed that the defendant should be restrained by temporary order and injunction from manufacturing, selling, exhibiting for sale and advertising pharmaceutical and medicinal preparations under the trade mark CEFI

or CEFI-DT or any other trade mark deceptively similar to the plaintiff's trade mark CEFO, CEFO-P or CEFO-DT so as to pass off the defendant's pharmaceutical and medicinal preparation as if the same are pharmaceutical preparation of the plaintiff herein.

2. The present suit is filed on a passing off action under Section 27 of the Trade and Merchandise Marks Act, 1958. It is the case of the plaintiff that sometime in or about December, 199 the plaintiff adopted a distinctive trade mark called CEFO for its use in relation to a medicinal and pharmaceutical preparation containing the drug "Cefixime" to be marketed by the plaintiff. It is the case of the plaintiff that on 23.12.1999 the plaintiff applied for registration of the said mark CEFO under the provisions of the Trade & Merchandise Marks Act, 1958 in class 5 and that the said application is pending before the Trade Mark Authorities. It is the further case of the plaintiff that in or about January 2000, the licensee of the plaintiff one M/s. Emil Pharmaceutical Industries (P) Ltd., made an application to the Joint Commissioner, (Konkan Division), Food & Drug Administration, Maharashtra, for licence to manufacture "Cefixime" dispersible tablets under the name CEFO-DT and "Cefixime" oral suspension under the name CEFO-P. Accordingly, on

14.1.2000, the Joint Commissioner granted the necessary licence to the said Emil Pharmaceutical Industries (P) Ltd. who is the licensee of the plaintiff. It is the further case of the plaintiff that since September 2000 the licensee of the plaintiff is manufacturing the said goods and for the year 2000-2001 the sales figures of the plaintiff is Rs. 1,12,19,475.00 and for the year 2001-2002 the figure is Rs. 1,24,77,571.00 and for the period April 2002-Sept. 2002 the figure has been Rs. 50,36,726.00. It is also the case of the plaintiff that the plaintiff has spent on sale promotion expenses in the year 2000-2001 about Rs. 25 lacs and in the year 2001-2002 also in the range of few lacs of rupees. It is therefore the case of the plaintiff that the said mark CEFO-DT and CEFO-P has acquired reputation and is distinctive to the goods of the plaintiff and, therefore, the defendant should be restrained from using deceptively similar trade mark. In para 8 of the said plaint the plaintiff has also stated that in respect of one of the company namely, Alembic Ltd., they have obtained an ex-parte injunction order from using the trade mark CEFO in relation to their drug. In para. 9 of the said plaint it has been contended by the plaintiff that they learnt recently in 2002 when they filed the present suit that they have come to know that the defendant is using the similar drug formulation CEFIXIME and the said pharmaceutical

formation are used in making and manufacturing the drugs and are sold under the trade mark CEFI and CEFI-DT which is similar to the plaintiff's mark of CEFO-DT and CEFO-P and, therefore, the mark used by the defendant is deceptively similar to that of the plaintiff. It is the case of the plaintiff that on 3.10.2002 the plaintiff gave notice and since the defendant did not desist from using the said mark the plaintiff has filed the present suit on the basis of the passing off action for restraining the defendant from using the mark similar or deceptively similar to that of the plaintiff herein.

3. On the other hand, the defendant has raised various contentions. It has been contended by the defendant that the plaintiff has made various false statements in the plaint particularly as to the date of the knowledge of the plaintiff about the defendants use of the said mark. Even in respect of proceedings at Ahmedabad against Alembic Ltd., it has been contended by the defendant that the statements in para 8 of the said plaint was false because on 11.10.2002 the interim orders were not in force. A perusal of the record and proceedings it has been found that on 7.10.2002 to 8.1.2003 there were no orders in operation and, therefore, the statement made in para 8 of the said plaint is false. The defendant has also claimed that the words "CEF" is a prefix of the formulation and is

commonly used by the various companies and there are large number of drugs which are already in market with prefix CEF and thus the plaintiff has no proprietary right nor the said mark is any innovative design or innovation by the plaintiff and thus the plaintiff is not entitled to use the said mark exclusively. It has been contended that the defendant has also made an application on 17.8.2000 for registration of the trade mark "CEFI" in Class 5 and the said application is also pending. It has been also stated by the defendants that the defendants are in the market for the said goods right from November 2000 when the permission is granted by FDA for manufacture and sale of the said product. The learned counsel for the defendant has relied upon various documents to show which includes the various pharmaceutical guides and the bulletins to show that the drugs of various companies with words "CEF" being used are in the market and are sold side by side and thus there is no question of any right of the plaintiffs to prevent the defendant from using the said mark or from selling the said goods under the said mark.

4. I have considered the arguments advanced by the learned counsel for the plaintiff and the defendant. Even without going into the contention of the defendant that the plaintiff has made erroneous and false statements in paragraphs 8 and 9

of the plaint, I find even on merits the plaintiff has no case. It is clear from the record before me that the said mark with the prefix "CEF" with almost identical mark of the plaintiff is already in the market and is sold by various parties. In respect thereof a book called Indian Drug Review for May-June'2001 has been produced before me which inter alia gives a mark with "CEFO" being used by Claris Lifesciences in respect of tablets manufactured by them of 250 mg and 500 mg. Apart therefrom in Exhibit 11 which is a Indian Drug Review for November-December 2000 a large number of items are shown as items which are manufactured and produced with prefix "CEF". In fact a company such as Intas Laboratory Pvt. Ltd., are using the mark "CEFTAS", Glaxo Smithkline Ltd., is using the mark "CEFSPAN", Cipla Ltd., is using the mark "CEFIX", Lupin Laboratories Ltd., is using the mark "CEFF", Lincolin Pharmaceuticals Ltd., is using the mark "CEFLIN", Cadila Healthcare is using the mark "CAFOGEN". Similarly, various other companies are also using the mark. Thus, from the perusal of the aforesaid marks which are in the market, particularly, the mark of Lupin Laboratories Ltd., which is absolutely close to the mark of both the plaintiff and the defendant, namely, "CEFF" which is identical to "CEFI" being the mark of the plaintiff and "CEFP" being the mark of the defendant. It is not possible to accept the contention of the learned

counsel for the plaintiff that by virtue of the user of the mark "CFI" and other mark being "CEFO" the plaintiff has acquired any exclusivility or a right of exclusive user of the said mark and thus they are entitled to an injunction for passing off action under the provisions of the Trade and Mercantile Marks Act, 1958. In respect of the passing off action it is necessary that the plaintiff must establish exclusivility of his mark and that his goods have acquired reputation by user of his mark and further that other people are not using similar mark and thus he is entitled to an injunction for such mark as against the other parties.

5. However, the learned counsel for the plaintiffs has contended that the learned Single Judge of this Court has in the case of Pidilite Industries Ltd., vs. S.M. Associates & Ors., reported in 2004 (28) PTC 193 has taken the view that the mere fact that the said mark has been used by various other companies in the market is not sufficient to deny an injunction in favour of the plaintiff but the defendant must also establish that the parties who are using the similar mark in the market have huge market share and that their sale is of substantial amount. It is being contended that thus unless the defendant establish that the market share of third parties which are also using the said mark is of such a huge amount that the plaintiff can

be disentitled to obtain the injunction. The learned Single Judge in the aforesaid judgment has relied upon a judgment of the Apex Court in the case of Corn Products vs. Shangrila Food Products reported in AIR 1960 SC 142 and gave a finding that the defendant must establish a substantial evidence to show that the said goods are sold extensively in the market and the sale figures of such third parties are such that such a party has acquired reputation by user of the said goods in the market. It has been held by the learned Single Judge that the defendant must establish exclusive use in the market. Even at the interim proceedings according to the learned Single Judge it is not sufficient merely for the defendant to show prima facie that there is user of the mark by various parties in the market. He must produce a prima facie evidence to show substantial use and at the final hearing of the suit the level of the proof is higher and the defendant must prove a substantial use by such third parties. On the basis of the aforesaid judgement the plaintiffs have urged that the defendant has failed to show the substantial sale of the said various products which are sold in the market under mark "CEF" and thus even though products are sold in the market with similar mark as that of the plaintiff still the defendant should be injuncted from using the same mark. Apart from the fact that I do not subscribe to the view expressed by the

learned Single Judge in the aforesaid judgment but I am refraining to go into the same in this matter. It is because in the present case on the facts in my opinion the defendant has been able to establish a substantial user of the said mark by various companies in the market. The defendants have produced before me in the form of sale figures of various companies by relying upon the survey conducted by ORG-MARG which are set out at Exhibits 14, 15 and 16 of the affidavit in reply. A mere perusal of the said exhibits leaves no manner of doubt that the drugs almost with similar mark as that of the plaintiff and defendant both is in the market extensively and is being sold in market also with substantial sales figure. In that view of the matter I am of the opinion that the mark of the plaintiff does not have any exclusivity and is being frequently used not only by the defendant but by various other parties in the market in respect of pharmaceutical drugs. However, the learned counsel for the plaintiff has relied upon the judgment of the Apex Court in the case of Cadila Health care Ltd., vs. Cadila Pharmaceuticals Ltd., reported in AIR 2001 SC 1952. He has also relied upon the judgment of the Division Bench in which the Division Bench has interfered with the order of the learned Single Judge and has granted injunction. The learned counsel has relied upon para 27 of the said judgment and has contended that the confusion

arising from similarly of marks among medicines are required to be taken into consideration and, therefore, the Court must grant an injunction. In the present case, no such case has been made out and, therefore the question of granting injunction on that basis does not arise. Thereafter the learned counsel has relied upon the unreported judgment of the Division Bench of this Court in Appeal No. 498 of 2002 in Notice of Motion No. 725 of 2002 in Suit No. 1305 of 2002 (Bal Pharma Limited vs. Wockhardt Limited & Anr. dated 12.6.2002 by A.P. Shah and Nishita Mhatre, JJ. and has contended that even if the pre-fix is common still the other words which are in common use in the said pre-fix specify the exclusivity of the said product in favour of the plaintiff herein. He has relied upon para 7 of the said judgment which reads as under :-

> "7. In order to decide whether the word "AZIWIN" is deceptively similar to the word "AZIWOK", each of the two words must, therefore, be taken as a whole word. Each of them consists of six letters, the first three letters "AZI" being common in both the words. The affidavit of the appellants indicate that various brands of Azithromycin tablets and syrup are marketed by different pharmaceutical companies using the common

prefix AZI, which is derived from the generic name of drug and in fact the appellants have given a list of as many as 13 different names of the companies including the parties to the suit who are using the prefix AZI. It is thus apparent that the drug Azithromycin being the base of these products the word AZI has been commonly used in describing the product and no one can claim monopoly over the use of the said word. In fact any company producing Aazithromycin tablets would be justified in using the said word as prefix to its trade name. The word AZI being both descriptive and common to the trade the users of such product are not likely to be misguided or confused by the said word. Once it is held that the word "AZI" is common to the trade, then having regard to the un-common letters in these two words namely "work" and "win" which are totally dissimilar and also having regard to the fact that even phonetically the two words are totally dissimilar, it is difficult to hold that one will be mistaken or confused with the other. There is not even a remote chance of anyone being misguided by the two words. It is a common ground that Azithromycin can only be ordered by

> prescription from a certified medical practitioner and the public cannot be supplied with the same without such prescription as the said drug is "Scheduled H" drug. It is highly unlikely that doctors and pharmacists would get confused by the two marks."

In the present case not only the pre-fix but even the suffix are commonly used with the word "CEF" by various companies and, therefore, also I do not find any substance in the present case.

6. The learned counsel for the defendant on the other hand has relied upon a judgment of the Delhi High Court in the case of the defendants themselves. The defendants also sought protection of their trade mark by initiation of a passing off action in the Delhi High Court and the Delhi High Court by the judgment in the case of Khandelwal Laboratories Ltd., vs. FDC Limited reported in 2001 PTC 864 (Del), has reiterated the case of the plaintiff that the items like CEFEX, CEFIXE, CEFOX, CIFEX are very common and are commonly used in market and, therefore, the defendant in the present case who was plaintiff in that case is not entitled to protect his mark. The Delhi High Court has held as under :-

> 3. The plaintiff’s mark CEFI is derived

from the chemical compound or salt Cefixime and there are umpteen authorities on the proposition that where marks are derived from such pharmaceutical sales, these are weak trademarks. Here the plaintiff has taken the first four letters of the name of the salt and this is therefore a weak trademark [F. Hoffman La Roche v. Geoffrey Manners, 1982 PTC 335; Panacea Biotec v. Recon, 1996 PTC 561].

7. Quite apart from the above CEFI and ZIFI are pronounced differently and visually appear quite different particularly when pronounced in the Devnagri script and being scheduled drugs can only be purchased through a written prescription of a doctor or a registered medical practitioner and dispensed by a chemist or a registered pharmacist. Therefore, there are inherent checks and balances within the pharmaceuticals industry which would ensure that the competing marks would not be confused."

7. In my opinion, even in the present suit, the plaintiff has failed to establish any exclusivity of the mark which is used by them being CEFO, CEFO-DT and CEFO-P and that the same is commonly used by

many companies in the market and the goods are commonly sold under various brand name marks of similar nature and thus, the plaintiffs are not entitled to injunction in the action of passing off initiated by them. In the aforesaid circumstances, I dismiss the motion. Motion dismissed. However, there shall be no order as to costs.